

Message Text

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ACTION EB-07

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TAGS: EAIR, JA

SUBJ: CIVAIR: US/JAPAN NEGOTIATIONS OCT 4 TO 6, 1976

1. SUMMARY: FIRST THREE DAYS OF CIVAIR TALKS HAVE BEEN SPENT IN DISCUSSING ALREADY FAMILIAR CONCEPTS SUCH AS GOJ'S VIEWS OF BALANCE OF BENEFITS (MIRROR RECIPROCITY OF ROUTES) AND THEIR DESIRE FOR CAPACITY CONTROL. CHARTER PROBLEM, SAIPAN ROUTE, AND SLOT PROBLEM AT TOKYO AND OSAKA AIRPORTS HAVE ALSO BEEN EXPLORED WITH NO RESOLUTION TO DATE. END SYMMARY.

2. DURING OPENING ROUND OF US/JAPAN CIVAIR TALKS, MOFA AM AFFBURDIR YAMASAKI INDICATED THAT TIME IS RIGHT FOR BROAD REVIEW OF BILATERAL CIVAIR AGREEMENT AND LISTED MAJOR POINTS JAPANESE WILL ADDRESS: EXCESS CAPACITY, AIR ROUTES, BEYOND RIGHTJ N SAIPAN CASE AND THE CONGESTION PROBLEM AT TOKYO AND OSAKA AIRPORTS. IN REPLAY, U.S. SIDE STATED U.S. PLANS TO CONTINUE THE LEADING ROLE IT HAS PLAYED IN AVIATION, THAT WE ARE APPROACHING THESE TALKS CONSCIENTIOUSLY AND SERIOUSLY, AND THAT OUR GOALS REMAIN GROWTH AND EFFICIENCY IN AIRLINE OPERATIONS AND RESPONSIVENESS TO MARKET DEMAND. USDEL POIN-
TED OUT THAT THE BILATERAL HAS BEEN AMENDED THREE TIMES SINCE 1953 AND THAT WE WISH TO FOCUS ON THE CHARTER PROBLEM, THE SAIPAN CASE AND SLOT TIME PROBLEMS AT TOKYO AIRPORT.

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3. JAPANESE SIDE SPENT AFTERNOON OF OCTOBER 4 EXPLAINING THEIR

VIEW OF "BALANCE OF BENEFITS", AGAIN ARGUING IN FAVOR OF "MIRROR RECIPROCITY" (IN FACT, DOUBLE-TRACKING). STYLES REJECTED THIS ARGUMENT AS BEING A POLITICAL OR PRESTIGIOUS, RATHER THAN ECONOMIC CONCEPT AND STRESSED THAT IT IS THE TRAFFIC FLOW OVER A ROUTE, RATHER THAN THE NUMBER OF POINTS SERVED, THAT ARE OF ECONOMIC IMPORTANCE TO AIRLINES. U.S. SIDE ALSO STRESSED NECESSITY OF ADEQUATE CHARTER SERVICES TO MAKE SURE THAT PUBLIC NEED FOR INEXPENSIVE TRAVEL IS MET.

4. OCTOBER 5 DISCUSSIONS CENTERED AROUND RESPECTIVE STATISTICS EACH SIDE ON PASSENGER AND CARGO TRAFFIC, YIELD AND REVENUE. FIGURES TABLED BY TWO GOVERNMENTS ARE NO LONGER FAR APART BUT DIFFERENCES ON METHODS OF ATTRIBUTING VALUES TO AGREEMENT REMAINED FAR APART. USDEL ALSO ASKED THE SOURCE OF JAPANESE CARRIER FIGURES APPEARING IN A PUBLICATION ENTITLED THE "JAPAN AIR NEWS" AS THEY DIFFER SUBSTANTIALLY FROM TABLED FIGURES (USDEL SUBSEQUENTLY LEARNED THAT SOURCE JAPAN AIR NEWS FIGURES IS JAL ITSELF). DURING AFTERNOON, GOJ PRESSED ARGUMENT FOR CAPACITY CONTROL, PRESENTING STATISTICS ALLEGEDLY SHOWING THAT INTERNATIONAL AIR MARKETS HAVING CAPACITY CONTROL HAVE GROWN FASTER THAN THOSE WITHOUT. FIGURES, HOWEVER, COMPARE DISSIMILAR MARKETS AND ARE MORE ILLUSTRATIVE OF THE GROWTH OF JAPANESE ECONOMIC PROSPERITY AND TRAVEL OVER THE LAST TEN YEARS.

5. ON OCTOBER 6, USDEL RAISED SAIPAN ROUTE AND EXPRESSED U.S. SIDE WILLINGNESS TO ARRIVE AT PRACTICAL SOLUTION WITH GOJ SO THAT CONTINENTAL AIRLINES COULD BEGIN ITS SERVICE. GOJ SIDE ACKNOWLEDGED THAT U.S. DOES HAVE LEGAL RIGHT TO SAIPAN-JAPAN SERVICE BUT INSISTED THAT ANY CAPACITY OFFERED BY CONTINENTAL MUST COME OUT OF PAA'S JAPAN-GUAM SHARE AND ASKED FOR JAL LANDING POINTS IN THE TRUST TERRITORIES BEYOND SAIPAN. JAPANESE SIDE STATED, FURTHERMORE, THAT NO ADDITIONAL CARRIER COULD INSTITUTE SERVICE FROM OSAKA AIRPORT. USDEL REPLIED THAT IT COULD ACCEPT TEMPORARY DEFERMENT ON CONTINENTAL'S OSAKA-SAIPAN SERVICE BUT U.S. REJECTED JDEL'S CAPACITY PROPOSAL AND COULD NOT CONSIDER JAPAN'S ROUTE REQUEST EXCEPT IN CONTEXT OVERALL NEGOTIATIONS AT LATER DATE. WE TOOK POSITION THAT, IF JDEL NOT WILLING WORK OUT PRACTICAL ACCOMMODATION WITHIN SPIRIT EXISTING AGREEMENT, U.S. WOULD HAVE TO INSIST ON IMPLEMENTATION ITS RIGHTS IMMEDIATELY WITHOUT QUALIFICATION.

6. DURING THE AFTERNOON THE JAPANESE SIDE PRESENTED A DETAILED LIMITED OFFICIAL USE

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EXPLANATION OF HOW SLOT TIMES AT TOKYO AND OSAKA AIRPORTS ARE ALLOCATED. USDEL EXPRESSED APPRECIATION FOR THE VERY REAL CONGESTION DIFFICULTIES FACED BY THE AVIATION AUTHORITIES BUT ASKED, AS ONE GOVERNMENT TO ANOTHER, THAT U.S. CHARTER OPERATORS REQUESTS FOR SLOTS BE CONSIDERED EQUALLY WITH U.S. SCHEDULED CARRIER REQUESTS FOR UNSCHEDULED SLOTS. USDEL ALSO EXPRESSED CONCERN THAT PANAM IS ALSO UNABLE TO OPERATE ITS PREFERRED CARGO SCHEDULE AND ASKED THE GOJ TO TAKE WHATEVER ACTION POSSIBLE TO ACCOMMODATE THIS REQUEST.

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